

## Message Text

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47

ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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R 221347Z JAN 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 2427

INFO AMEMBASSY JIDDA

AMEMBASSY ABU DHABI

AMEMBASSY JAKARTA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

S E C R E T CARACAS 0668

EXDIS

E.O. 11652: GDS

TAGS: ENRG VE

SUBJ: ENERGY: SAUDI PETROLEUM MINISTER'S AGREEMENT TO WORK  
FOR LOWER OIL PRICES

REF: JIDDA 0330

1. GOVERNMENT OF VENEZUELA CONSIDERS THAT ITS OIL PRICING DECISIONS HAVE FOLLOWED THOSE TAKEN BY MID-EAST PRODUCERS AND THAT IT IS ONLY SEEKING TO KEEP ABREAST OF THE MARKET. ALTHOUGH MINISTER OF MINES PEREZ LA SALVIA HAS PUBLICLY MADE A NOISE OR TWO AGAINST THE IDEA OF PRICE REDUCTIONS, THERE IS REASON TO BELIEVE THAT THE GOV MAY HAVE IN MIND USING ROYALTIES, WHICH IT NOW INTENDS TO COLLECT IN KIND (CARACAS 0286), TO SUPPLY SOME OF ITS NEEDY LATIN AMERICAN NEIGHBORS AT PREFERENTIAL PRICES. WE ARE CERTAIN THAT THE PRESENT GOV WOULD DECLINE TO TAKE ANY LEADERSHIP ROLE IN OPEC TO REDUCE OIL PRICES.

2. ON THE OTHER HAND, WE BELIEVE THAT VENEZUELA WOULD NOT  
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RPT NOT HOLD OUT AGAINST A PRICE ROLLBACK IF THERE WERE A GENERAL MOVEMENT WITHIN OPEC IN THAT DIRECTION AND IF LEADERSHIP CAME FROM PERSIAN GULF PRODUCERS.

3. QUESTION OF HOW USG MIGHT BEST MAKE REPRESENTATIONS TO GOV IS SOMEWHAT COMPLICATED BY THE FACT THAT THE PRESENT ADMINISTRATION HERE WILL TURN POWER OVER TO A NEW REGIME IN MARCH. IF IT SHOULD TURN OUT, HOWEVER, THAT THERE WERE A SERIOUS UNDERTAKING PROMPTLY TO OBTAIN AN OPEC-WIDE TURN-AROUND ON PRICE, WE EXPECT THAT VENEZUELAN POLICY MAKERS COULD READILY BE REACHED AND WOULD TAKE ANY NECESSARY DECISION.

FISHER

SECRET

<< END OF DOCUMENT >>

## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** AGREEMENTS, PETROLEUM, PRICES  
**Control Number:** n/a  
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**Draft Date:** 22 JAN 1974  
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**Decaption Note:** 25 YEAR REVIEW  
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**Disposition Comment:** 25 YEAR REVIEW  
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**Subject:** ENERGY: SAUDI PETROLEUM MINISTER'S AGREEMENT TO WORK FOR LOWER OIL PRICES  
**TAGS:** ENRG, VE, US, XF  
**To:** STATE INFO JIDDA  
ABU DHABI  
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